

**STATEMENT OF FRAN P. MAINELLA, DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS OF THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE CONCERNING THE NATIONAL PARK SERVICE'S FUNDING NEEDS FOR ADMINISTRATION AND MANAGEMENT OF THE NATIONAL PARK SYSTEM**

**MAY 10, 2005**

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Mr. Chairman, thank you for the opportunity to appear before you today at this oversight hearing on the National Park Service's funding needs for administration and management of the National Park System. This system consists of 388 national parks and other designated units, covering 88 million acres of land throughout the United States and its territories, and conserving a broad and diverse array of natural and cultural resources. Last year, visitation increased at national park units to 277 million.

The fundamental approach that President Bush has taken toward the administration of the National Park System has been to promote better care of the resources under our stewardship while slowing the growth of responsibilities of the National Park Service so that the demand for funds does not grow faster than the available monies. In taking this approach, the Administration has focused on reducing the deferred maintenance backlog in our parks, assuring sufficient operating funds for parks, and instituting a range of management improvements to enable the National Park Service to do more with available resources.

Overview of Funding

The priorities of the Administration for the National Park Service are expressed in the FY 2006 budget request, which totals about \$2.2 billion in Department of the Interior appropriations and \$320 million in Department of Transportation appropriations. More than 70 percent of that funding is devoted to managing the National Park System, not including the cost of undertaking major construction or rehabilitation projects or acquiring land. For FY 2005, Congress provided a net increase of about \$64 million for the operation of the National Park System, which resulted in an average increase to park base budgets this year of approximately 6 percent. The FY 2006 budget request would build on last year's substantial growth by increasing operations funding by \$50.5 million above the FY 2005 enacted level, allowing for, among other things, increases for pay, benefits, and other fixed costs.

One of the major challenges the National Park Service has faced in recent years has been the need for more security. After the September 11 attacks, the National Park Service began focusing more law enforcement and security resources on icon parks, parks along the U.S. border, and NPS units that include infrastructure such as dams and reservoirs. Since 2001, the overall operational base level of funding for NPS law enforcement and security has increased 25 percent. Additional sums are being spent to improve the physical security of the parks that are considered more vulnerable to terrorist activity.

The operation of the National Park System is enhanced substantially through non-appropriated funds and non-governmental services. In FY 2006, we anticipate receiving about \$160 million in revenue from recreation fees, National Park Pass fees, and transportation fees, and about \$38 million from concessions fees. The NPS also receives a great deal of financial and in-kind support from cooperating associations, friends' groups, and other partnership entities. Many parks benefit tremendously from the work done by volunteers, which increased by 14 percent in 2004, when we saw 140,000 Americans serving as volunteers in our parks.

### Maintenance Backlog

The FY 2006 budget request meets the President's goal of investing \$4.9 billion over five years to address the deferred maintenance backlog in our parks. The FY 2006 amount toward this goal is \$1.1 billion. It includes \$717 million for facility maintenance and construction in NPS appropriations, \$320 million for park roads within the Department of Transportation's Federal Lands Highway Program, and an estimated \$108 million in funding dedicated to maintenance from recreational fees. Park roads funding, which would bring 80 percent of park roads into good or excellent condition, depends upon full funding of the President's request and enactment of the Administration's proposed reauthorization of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21).

Through 2004, with the funding requested by the Administration and provided by Congress, NPS has undertaken over 4,000 infrastructure and facility improvement projects nationwide. As a result, visitors are seeing improved trails, more accessible campgrounds, rehabilitated visitor centers, better roads, stabilized historic structures, and reduced environmental threats through improved drinking water and sewage processing systems. An increased focus on cyclic maintenance will help ensure that recent improvements will be adequately maintained.

In addition to promoting more funding for maintenance, the Administration has also focused on the management of facilities. The NPS has developed a comprehensive asset management strategy that has enabled the NPS, for the first time in its history, to inventory its assets and measure the condition of its facilities. During the past three years, NPS has produced a comprehensive asset inventory and established a NPS-wide baseline for facility conditions. We now have preliminary condition assessments for all 388 units, and we anticipate having comprehensive condition assessments for all of them by the end of 2006. This management tool will enable NPS to establish performance goals using a Facility Condition Index and target funds to the highest priority needs.

### Other Management Improvements

The high priority that the Administration has placed on improving management of the National Park System is helping us meet the needs we face in administering this system. In addition to improving facility management, as described above, we have been implementing other changes that will have a huge, long-term positive impact on our ability to continue to provide good customer service to our visitors.

One area in which we have made improvement is in our concessions program. Passage of the Concessions Management Improvement Act of 1998, which introduced more competition into the concessions contracting process, generated a dramatic change in the way in which the concessions program is conducted.

Five years ago, the NPS concessions program was in poor shape. The program had been criticized in numerous reports by the Department's Inspector General, the Government Accountability Office, and outside auditors, and it faced a huge backlog of expired or soon-to-be-expired contracts. For the first time in NPS history, the NPS needed to award almost all of the approximately 600 concession contracts.

In response, we conducted a top-to-bottom review and engaged PricewaterhouseCoopers to bring best practices to our efforts and develop protocols for contracting and contract oversight. We began to professionalize our workforce by hiring staff with graduate business degrees and developing training courses for NPS personnel. Since 2001, with the assistance of four top business consultants, we have awarded 322 contracts and expect to award another 125 by the end of this year, bringing the total to 447. This will reduce our backlog to approximately 100 contracts.

The change has not been easy for concessioners or for NPS personnel, and there are still issues that remain unresolved, but we now have a much more business-like program. We are beginning to see a real improvement in visitor services and a better return to the Federal government from concession franchise fees as well as improved maintenance of facilities often required in concession contracts.

The NPS has also improved the way we manage partnership construction projects. For the last several years, we faced a growing problem of well-meaning organizations that wanted to partner with us on building new facilities in parks, usually visitor centers that would ultimately require a larger Federal contribution not only for the project's construction, but also for the cost of maintaining the new facility. Over the last year, the NPS has undertaken a complete inventory of all partnership construction projects of more than \$1 million and implemented a comprehensive project review process that will ensure that projects are mission-essential and achievable. As elements of this process, the NPS has instituted service-wide training, a project tracking system, and an accountability system that will be incorporated into the performance plans of regional directors and superintendents.

The NPS has identified projects valued at \$5 million or more at all stages of planning, the level that requires Congressional concurrence. The NPS will move ahead on projects only after the NPS leadership has determined that: (1) the proposed projects address NPS priorities and are consistent with park general management plans, (2) partners have the capability to raise promised funding, (3) any expected capital contributions from the NPS have been prioritized in the five-year capital plan, and (4) ongoing operation and maintenance costs are known and can be sustained over time. Additionally, the NPS has initiated a standard policy of including language in all agreements with partners that specifically prohibits the solicitation of funding from Congress outside of the budget process.

The NPS is also working toward innovation and reform in the way it manages natural and cultural resources. The NPS Natural Resource Challenge (NRC) continues to make progress towards its goal of developing a scientific base of knowledge about park resources. The NRC is an initiative that has expanded existing inventory programs and developed efficient ways to monitor the vital signs of natural systems, enlisted others in the scientific community to help, and expanded natural resource conservation activities in parks. The FY 2006 budget proposal includes a \$1 million net increase for the NRC, and includes sufficient funding for the monitoring of park vital signs and water quality in all 32 multi-park networks for the first time. This monitoring provides park managers with key information on the status and trends in park ecosystem health, defines normal limits of variation in measurable features, provides early warning of situations that require management intervention, suggests remedial treatments and frames research hypotheses, and in some cases determines compliance with laws and regulations.

In an attempt to move toward greater levels of budget and performance accountability, the NPS continues to expand the use of the Program Assessment Rating Tool (PART) activity-based costing, and preliminary planning efforts associated with competitive reviews. PART evaluations and recommendations continue to inform both budget formulation and program management decisions.

We have been working to improve our budget formulation process, particularly related to park specifics, by making it more transparent. We have initiated two new processes to meet this requirement. First, we have developed a park scorecard. The scorecard is an indicator of park financial, operational, and managerial health used to aid in the identification and evaluation of base budget increases for park units. It provides an overarching snapshot of each park's current situation by offering a way to analyze individual park needs and to compare these needs with those of other parks.

Second, we have developed a core operations analysis process that integrates management tools to improve park efficiency. The process is designed to assist park management in making fully informed decisions on staffing and funding alternatives that tie to core mission goals. This will ensure that: funds are spent in support of a park's purpose; funds are spent in an efficient manner; a park's request for funding is credible; and there are adequate funds and staff to conserve and protect the resources for which parks are responsible. The Intermountain Region has been successfully using these analyses and we are already taking steps to implement the process throughout the NPS.

The NPS maintains its support for the President's Management Agenda and has funding in the FY 2006 budget for improving information technology (IT), financial accountability, and other management reforms. The budget proposal includes funds totaling \$6 million for fee program data analysis improvements, a dozen assorted IT initiatives, including security upgrades and the implementation of an enterprise server network, and reform of the Federal Land Acquisition administrative function. The FY 2006 budget also proposes a series of management actions, including rental space consolidation and fleet management reforms that will bring over \$4 million in savings to the government.

In addition, we have achieved savings in our travel costs by taking steps to ensure that all domestic and international travel by NPS employees is an efficient and effective use of resources. Since 2002, we have reduced travel costs by 25 percent.

In summary, the improvements we are making in administering and managing the National Park System are enabling us to be much more effective and efficient stewards of the magnificent parks and other resources that we are responsible for managing. That concludes my statement, and I will be happy to answer any questions you or other members of the subcommittee may have.